

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 NEA-11 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 SAM-01 SCI-06 FEA-02

OMB-01 CIEP-02 INT-08 COME-00 TRSE-00 DRC-01 /156 W
----- 082553

R 061640Z FEB 74

FM USINT ALGIERS

TO SECSTATE WASHDC 0093

INFO AMEMBASSY BONN

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE ALGIERS 0268

E.O. 11652: N/A

TAGS: ENRG, AG

SUBJ: ALGERIAN MARKET PRICE FOR OIL

REF: ALGIERS 0117 (NOTAL)

1. AS INDICATED IN REFTEL, ALGERIA'S POSTED PRICE OF DOLS.
\$16.216 IS NOT VERY MEANINGFUL SINCE SONATRACH OWNS
GREAT MAJORITY OF ALGERIAN OIL AND THUS MARKET PRICE
HAS TO BE NEGOTIATED BETWEEN SONATRACH AND FOREIGN BUYER.

2. SONATRACH IS REPORT ED TO BE SEEKING DOLS.. 15.00 A BARREL
MARKET PRICE FOR ITS OIL. USE OF THE OLD FORMULA 1.4 TO ONE
POSTED PRICE TO MARKET PRICE WOULD LEAD TO ALGERIAN MARKET PRICE
OF DOLS. 11.58. ACCORDING TO FRENCH PETROLEUM ATTACHE, ERAP
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HAS RECENTLY REFUSED THIS PRICE IN NEGOTIATIONS FOR PURCHASE OF

THREE MILLION TONS OF OIL. ERAP CANNOT PAY MORE THAN
ABOUT DOLS. 12 TO 12.50 FOR ALGERIAN CRUDE AND STILL
SELL WITHIN FRENCH PRICE CONTROLS.

3. GERMAN EMBASSY OFFICER DOES NOT BELIEVE VEBA GROUP
HAS AGREED ON PURCHASE PRICE. GERMANS ARE WARY OF SIGNING
CONTRACT AT TOO HIGH A PRICE AND HAVE OFFERED TO COME BACK TO
ALGIERS TO SETTLE PRICE ISSUE AT LATER
DATE. ALGERIANS SEEM NERVOUS ON PRICE ISSUE AND WISH
TO SIGN NOW AT HIGH PRICES.

4. PETROLEUM INTELLIGENCE WEEKLY OF JANUARY 28,
1974 CITES ALGERIAN OIL PRICES AT DOLS. 10.00 A BARREL
PLUS ADJUSTMENT UPWARD OR DOLS. 12.50 A BARREL WITH UPWARD
OR DOWNWARD ADJUSTMENT.EAGLETON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICE CONTROLS, PRICE FIXING, PRICE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ALGIER00268
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740253/aaaabxrd.tel
Line Count: 76
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: ALGIERS 0117 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAR 2002 by martinml>; APPROVED <31 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ALGERIAN MARKET PRICE FOR OIL
TAGS: ENRG, AG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005